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First Revised Sheet No. 1 Texas-Ohio Pipeline, Inc.: Original Volume No. 1
First Revised Sheet No. 1 : Effective
Superseding: Sheet Nos. 1 - 220

CANCELLATION OF ENTIRE TARIFF

Notice is hereby given that effective May 2, 2007 the
FERC Gas Tariff of Texas-Ohio Pipeline, Inc. is to be
cancelled.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 2 Original Sheet No. 2 : Superseded

PRELIMINARY STATEMENT

The Original Volume 1 of Texas-Ohio Pipeline, Inc. FERC Gas Tariff contains Rate Sheets, Rate Schedules, General Terms and Conditions, and Forms of Service Agreements applicable to transportation service offered on an open-access, non-discriminatory basis through its pipeline facilities in Garrard County, Kentucky.

Texas-Ohio Pipeline Company is a Texas Corporation engaged in the business of transporting natural gas for use in interstate commerce. The location of the pipeline facilities and the principal points of receipts and deliveries are shown on the map included herein.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 3 Original Sheet No. 3 : Superseded

See Hard Copy for Map

Effective Date: 10/01/1997 Status: Effective

FERC Docket: TM98-1-142-000

Second Revised Sheet No. 4 Second Revised Sheet No. 4 : Superseded
Superseding: First Revised Sheet No. 4

TRANSPORTATION RATES
(Rates per Dth)

	Maximum Rate	Minimum Rate
Rate Schedule FTS:		
Reservation	\$1.5749	\$0.0000
Usage Charge*	\$0.0000	\$0.0000
Rate Schedule ITS:		
Usage Charge*	\$0.0518	\$0.0000

- * The rates shall be increased to include the ACA unit surcharge of \$0.0022 per Dth, where applicable, in accordance with Section 22 of the General Terms and Conditions.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 5 Original Sheet No. 5 : Superseded

RETAINAGE FACTOR

Retainage
Factor

Transportation Retention Factor 1/

.9%

1/ Percentage is applied to receipt quantities on Rate Schedules
FS and IS.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet Nos. 6-10 Original Sheet Nos. 6-10 : Superseded

Sheets Nos. 6 through 10
Have been "Reserved for Future Use"

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 11 Original Sheet No. 11 : Superseded

RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter referred to as "Customer") for the transportation of natural gas on a firm basis by Texas-Ohio Pipeline, Inc. (hereinafter referred to as "Texas-Ohio") subject to the following conditions:

- (a) Texas-Ohio in its reasonable discretion determines it has available capacity to render the firm transportation service; and
- (b) Shipper and Texas-Ohio have entered into a Transportation Service Agreement, in the form contained in this Tariff, for such firm transportation service.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to all natural gas transported by Texas-Ohio for Customer pursuant to the executed Transportation Service Agreement providing for a Maximum Daily Quantity (MDQ).
- 2.2 Transportation service hereunder shall be provided on a firm basis, subject to the provisions of the executed Transportation Service Agreement and to the General Terms and Conditions incorporated herein by reference, and shall not be subject to curtailment or interruption except as caused by force majeure or otherwise provided in the General Terms and Conditions of Texas-Ohio' FERC Gas Tariff.
- 2.3 Transportation service hereunder shall consist of the acceptance by Texas-Ohio of natural gas tendered by Customer for transportation at the Receipt Point(s) specified in the executed Transportation Service Agreement, the transportation of such quantity of natural gas through Texas-Ohio' pipeline system, and redelivery of such quantity of gas, less the applicable Retention Percentage set forth on Sheet No. 5 of this Tariff, by Texas-Ohio to Customer or for Customer's account the Delivery Point(s) in the executed Transportation Service Agreement.
- 2.4 Texas-Ohio shall only be obligated to deliver to Customer thermally equivalent quantities to those received, less the applicable Retention Percentage for fuel, loss, and unaccounted for.
- 2.5 If Customer desires transportation of natural gas under this Rate Schedule, Customer will nominate service in accordance with Section 8 of the General Terms and Conditions of Texas-Ohio' Tariff. Texas-Ohio shall schedule receipts and deliveries in accordance with Customer's confirmed nominations, and deliver for Customer's account on a daily basis quantities of gas equal to the daily quantities

Original Sheet No. 12 Original Sheet No. 12 : Superseded

RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE (Continued)

received for Customer's account as requested by Customer, less the applicable Retention Percentage which quantities shall not exceed Customer's MDQ specified in the Transportation Service Agreement. It is Customer's responsibility to adjust its deliveries and receipts to conform to scheduled quantities.

- 2.6 Customers under this Rate Schedule shall be permitted to release any portion of their capacity entitlements in accordance with Section 21 of the General Terms and Conditions, and to match any bids which Texas-Ohio receives for their capacity entitlements prior to the expiration of their Transportation Service Agreement in accordance with Section 20.

3. RATE

The charge for natural gas transportation service rendered during each monthly billing period shall be the sum of the applicable amounts specified below:

- 3.1 Reservation Charge - An amount determined as follows:

The applicable Monthly Demand Charge per Dth as set forth on Sheet No. 4 multiplied by the MDQ, as defined in the General Terms and Conditions.

- 3.2 Usage Charge - An amount determined as the product of:

- (a) The quantity of natural gas in Dth delivered by Texas-Ohio to Customer or for Customer's account during the month multiplied by the maximum applicable Usage Charge per Dth set forth from time to time on Sheet 4 of this Tariff or superseding Tariff.

- 3.3 Surcharges - the Customer shall pay all surcharges specified in the General Terms and Conditions or which otherwise may be applicable to service under this Rate Schedule as may be set forth from time to time on Sheet No. 4 of this tariff.

- 3.4 In addition to collecting the applicable charges and surcharges, Texas-Ohio shall retain from the gas tendered for transportation the effective Retention Percentage as shown on Sheet No. 5.

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Original Sheet No. 13 Original Sheet No. 13 : Superseded

RATE SCHEDULE FTS
FIRM TRANSPORTATION SERVICE (Continued)

4. MINIMUM MONTHLY BILL

The Reservation Charge for the month.

5. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the executed Transportation Service Agreement, all of the General Terms and Conditions contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said General Terms and Conditions, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof.

Original Sheet No. 14 Original Sheet No. 14 : Superseded

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party (hereinafter referred to as "Customer") for the transportation of natural gas on an interruptible basis by Texas-Ohio Pipeline, Inc. (hereinafter referred to as "Texas-Ohio") when Customer and Texas-Ohio have entered into a Transportation Service Agreement, in the form contained in this Tariff, for such interruptible transportation service.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This Rate Schedule shall apply to all natural gas transported by Texas-Ohio for Customer pursuant to the executed Transportation Service Agreement.
- 2.2 Transportation service hereunder shall be provided on an interruptible basis and shall consist of the acceptance by Texas-Ohio of natural gas tendered by Customer for transportation at the Receipt Point(s) specified in the executed Transportation Service Agreement, the transportation of such quantity of natural gas through Texas-Ohio's pipeline system, and redelivery of such quantity of natural gas, less the applicable Retention Percentage set forth on Sheet No. 5 of this Tariff, by Texas-Ohio to Customer or for Customer's account at the Delivery Point(s) specified in the executed Transportation Service Agreement.
- 2.3 Texas-Ohio shall only be obligated to deliver to Customer thermally equivalent quantities to those received, less the applicable Retention Percentage for fuel, loss, and unaccounted for.
- 2.4 If Customer desires transportation of natural gas under this Rate Schedule, Customer will nominate service in accordance with Section 8 of the General Terms and Conditions of Texas-Ohio's Tariff. Texas Ohio shall schedule receipts and deliveries in accordance with Customer's nominations, and deliver for Customer's account on a confirmed daily basis quantities of gas equal to the daily quantities received for Customer's account as requested by Customer, less the applicable Retention Percentage set forth on Sheet No. 4 of this Tariff, which quantities shall not exceed Customer's MDQ specified in the Transportation Service Agreement. It is Customer's responsibility to adjust its deliveries and receipts to conform to scheduled quantities.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 15 Original Sheet No. 15 : Superseded

RATE SCHEDULE ITS
INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)

3. RATE

The charge for natural gas transportation service rendered during each monthly billing period shall be the sum of the applicable amounts specified in Sections below:

3.1 Usage Charge - An amount determined as the product of:

- (a) The quantity of natural gas in Dth delivered by Texas-Ohio to Customer or for Customer's account during the month multiplied by
- (b) The maximum applicable Usage Charge per Dth set forth from time to time on Sheet No. 4 of this Tariff, or superseding Tariff.

3.2 Surcharges - the Customer shall pay all surcharges specified in the General Terms and Conditions or which otherwise may be applicable to service under this Rate Schedule as may be set forth from time to time on Sheet No. 4 of this tariff.

3.3 In addition to collecting the applicable charges and Surcharges, Texas-Ohio shall retain from the gas tendered for transportation the effective Retention Percentage as shown on Sheet No. 5.

4. MINIMUM MONTHLY BILL

None.

5. GENERAL TERMS AND CONDITIONS

Except as otherwise expressly indicated in this Rate Schedule or by the executed Transportation Service Agreement, all of the General Terms and Conditions contained in this Tariff, including (from and after their effective date) any future modifications, additions or deletions to said General Terms and Conditions, are applicable to transportation service rendered under this Rate Schedule and, by this reference, are made a part hereof.

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Original Sheet Nos. 16-39 Original Sheet Nos. 16-39 : Superseded

Sheets Nos. 16 through 39
Have been "Reserved for Future Use"

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First Revised Sheet No. 40 First Revised Sheet No. 40 : Superseded
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GENERAL TERMS AND CONDITIONS

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Third Revised Sheet No. 41 Third Revised Sheet No. 41 : Superseded
Superseding: Second Revised Sheet No. 41

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS OF TERMS

For the purposes of Rate Schedules under Original Volume No. 1 of this FERC Gas Tariff, unless the context hereof specifies otherwise, the following words and/or terms are defined:

- 1.1 The terms "Texas-Ohio" and "Company" shall mean Texas-Ohio Pipeline, Inc. and its authorized representatives.
- 1.2 The term "Btu" shall mean British thermal unit, at 14.73 dry PSIA, and shall mean the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit. The standard Btu is the International Btu, which is also called the Btu(IT).
- 1.3 The term "Cubic Foot" shall mean the volume of gas which occupies one cubic foot at the Volumetric Measurement Base, at a temperature of sixty (60) degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.
- 1.4 The term "Central Clock Time" (CCT) shall mean Central Standard Time (CST) except for that period when daylight savings is in effect. During this period, CCT shall mean Central Daylight Time (CDT). Unless otherwise stated, all times in this tariff are CCT.
- 1.5 The term "Customer" shall mean any entity that has entered into a service agreement with Texas-Ohio under one or more of Texas-Ohio's Rate Schedules.
- 1.6 The terms "Day" or "Gas Day" shall mean a period beginning at 9:00 a.m. CCT and ending at 9:00 a.m. CCT the next calendar day.
- 1.7 The term "Dekatherm" (Dth) shall mean the quantity of heat energy which is equivalent to one million (1,000,000) British Thermal Units (MMBtu). One dekatherm of gas shall mean the quantity of gas which contains one dekatherm of heat energy, and will be reported on a dry MMBtu (or Dth) basis. Dth is the standard quantity unit of Nominations, Confirmations and Scheduled Quantities in the United States, gigajoules (Gjs) in Canada, and gigacalories (Gcs) in Mexico. For reference, one Gj=1,000,000,000 joules, one Gc=1,000,000,000 calories. For commercial purposes, the standard conversion factor between Dth and Gjs is 1.055056 Gjs per Dth and between Dth and Gcs is .251996 Gcs per Dth. The standard joule is the joule specified in the SI system of units. As used in this tariff, related service agreements, statements, and invoices, MMBtu and Dth are considered synonymous.

GENERAL TERMS AND CONDITIONS (Continued)

- 1.8 The term "Dry Cubic Foot" shall mean one cubic foot of anhydrous gas (containing no water).
- 1.9 The term "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor governmental agency.
- 1.10 The term "Gas" shall mean either natural gas unmixed, or any mixture of natural and artificial Gas.
- 1.11 The term "Heating Value" shall mean the number of Btu's evolved by the complete combustion with air, at constant pressure, of one Dry Cubic Foot of Gas under a pressure of 14.73 psia and a temperature of sixty (60) degrees Fahrenheit and when the products of combustion are cooled to the initial temperature of the Gas and air and water formed by combustion is condensed to the liquid state.
- 1.12 The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity of Gas that Texas-Ohio agrees to transport and deliver to or for the account of Customer pursuant to a service agreement under any of Texas-Ohio's transportation rate schedules.
- 1.13 The term "Mcf" shall mean one thousand (1,000) cubic feet of Gas.
- 1.14 The term "Month" shall mean a period of time beginning at 9:00 a.m. CCT on the first Day of a calendar month, and ending at 9:00 a.m. CCT on the first Day of the next succeeding calendar month.
- 1.15 The term "Pre-arranged Replacement Customer" shall mean a Customer that pre-arranges a bid for capacity with a Releasing Customer and which has contracted to utilize a Releasing Customer's capacity for a specified period.
- 1.16 The term "PSIA" shall mean pounds per square inch absolute.
- 1.17 The term "PSIG" shall mean pounds per square inch gauge.
- 1.18 The term "Rate Schedule" shall mean the rate schedule for specific types of service which are contained in Texas Ohio's FERC Gas Tariff.

GENERAL TERMS AND CONDITIONS (Continued)

- 1.19 The term "Releasing Customer" shall mean a firm Customer or Replacement Customer holding capacity under a firm service agreement that desires to release all or a portion of such capacity rights under Section 22 of the General Terms and Conditions.
- 1.20 The term "Replacement Customer" shall mean any entity which has submitted a bid or contracted for capacity under a terminating contract pursuant to Section 21 of the General Terms and Conditions, or which has contracted to utilize a Releasing Customer's capacity for a specific period under Section 22 of the General Terms and Conditions.
- 1.21 The term "Service Agreement" shall mean the written agreement for transportation service which is executed between Texas-Ohio and Customer, the form of which is contained in Texas-Ohio's FERC Gas Tariff.
- 1.22 The term "Volumetric Measurement Basis" shall mean One Cubic Foot of Natural Gas at a pressure base of fourteen and seventy three one hundredths pounds per square inch absolute, a temperature base of sixty degrees (60 degrees) Fahrenheit, and without adjustment for water vapor content.
- 1.23 The term "Year" shall mean a period of twelve (12) consecutive Months beginning at 9:00 a.m. CCT on the first Day of November and ending at 9:00 a.m. CCT on the last Day of October of the succeeding calendar year.
- 1.24 The term "Render" shall mean postmarked, or time-stamped and delivered to the designated site.
- 1.25 The term "Gas Industry Standards Board" or "GISB" shall mean that accredited organization established to set standards for certain natural gas industry business practices and procedures.
- 1.26 The term "GISB" Standards" shall mean the standardized business practice, procedures and criteria which have been adopted and published by the Gas Industry Standards Board and which have been adopted by reference by the FERC.
- 1.27 The term "Critical Notice" shall pertain to information on transportation service provider conditions that affect scheduling or adversely affected scheduled gas flow.

GENERAL TERMS AND CONDITIONS (Continued)

- 1.28 All trading partners shall accept all GISB standard data elements. Usage shall be characterized as either mandatory, conditional, sender's option, business conditional, and mutually agreeable.
- (a) The term "Mandatory" (M) mean the data element (information) must be supplied in the transaction.
 - (b) The term "Conditional" (C) means that the presence of data in a field is determinted by the presence or lack of data in another filed within the transmittal or related data sets.
 - (c) The term "Sender's Option" (SO) means that this element is optional for the sender to send and, if sent, the receiver should receive and process.
 - (d) The term "Business Conditional" (BC) means the data elememt which is based on current variations in business practice. BC elements which are not supported/required by the recevier will be acknowledged in the response document with a warning message code indicating that the data elements were ignored by the reciever.
 - (e) The term "Mutually Agreeable" (MA) means that the data element is mutually agreed to between trading partners. Usage of this element in no way can be mandated for inclusion by either trading partner in order to achieve a level of service.
- 1.29 The term "Intraday Nomination" means a nomination submitted after the nomination deadline whose effetime is no earlier than the beginning of the gas day and runs through the end of that gas day.
- 1.30 The term "Business Day" means Monday through Friday, excluding Federal Banking Holidays for Transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

GENERAL TERMS AND CONDITIONS (Continued)

2. MEASUREMENT EQUIPMENT

- 2.1 Measurement Operations and Equipment. Measurement Operations shall include, but not be limited to, the operation, calibration and testing of the RTU, transducers, chart recorders, meter runs, Gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Customer or third party and Texas-Ohio.
- 2.2 Check Measurement and Auditing Equipment
 - (a) Customer or third party may install, operate and maintain at its own expense, such check measurement equipment as it shall desire, provided that such equipment shall be so installed as not to interfere with the operation of Texas-Ohio's measurement equipment. Texas-Ohio shall have access to such check measurement equipment at all reasonable hours, but the reading, calibrating and adjusting thereof and the changing of charts shall be done only by Customer or third party. If Customer wishes to install electronic Gas measurement equipment, Customer shall provide measurement data in a form compatible with Texas-Ohio's measurement computer system as it may exist from time to time for Texas-Ohio's monitoring of flow conditions.
 - (b) Texas-Ohio may install, operate and maintain at its own expense, such auditing equipment as it shall desire, provided that such equipment shall be installed as not to interfere with the operation of other, including Customer's or third party's, measurement equipment.
- 2.3 Access to Equipment and Records. Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, and audit data from electronic measurement equipment for inspection and verification, subject to return within thirty (30) days after receipt thereof.

GENERAL TERMS AND CONDITIONS (Continued)

- 2.4 Test of Meters. The accuracy of Texas-Ohio's and Customer's or third party's measurement equipment shall be verified by Texas Ohio and Customer or third party at mutually agreeable intervals and, if requested, in the presence of representatives of Texas Ohio and Customer or third party.
- (a) Texas-Ohio and Customer or third party shall not be required to verify the accuracy of measurement equipment, more frequently than once in any thirty (30) day period.
 - (b) Texas-Ohio and Customer or third party shall not be required to verify the accuracy of the Gas chromatograph or other Heating Value measurement device more frequently than once in any thirty (30) day period.
 - (c) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.
- 2.5 Measurement Equipment Inaccuracy and Failure. The quantity of Gas received and delivered by Texas-Ohio and delivered to Customer or for Customer's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows:
- (a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of Gas hereunder, is found to be in error to the extent that it introduces not more than one percent (1%) measurement error in the individual measurement equipment affected, previous records of such equipment shall be considered accurate;
 - (b) If, upon test, any measurement equipment is found to be in error to the extent that it causes the Gas quantities measured to be in error by an amount exceeding two percent (2%) at a recording corresponding to the average hourly rate of flowthrough the equipment in the period since the last preceding test, then any measured quantities of such affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period for such error is not known definitely or agreed upon, such

Substitute First Revised Sheet No. 46 Substitute First Revised Sheet No. 46 : Superseded
Superseding: Original Sheet No. 46

GENERAL TERMS AND CONDITIONS (Continued)

correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) days where orifice measurement equipment is used in the computation of quantity and not exceeding sixteen (16) days where other measurement equipment is used; and

- (c) If no tests have been performed to determine the degree of inaccuracy, or measurement equipment is out of service, the quantity of Gas shall be estimated as:
 - (1) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or in the absence of such facilities.
 - (2) By correcting the error, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable.
 - (3) By relating the quantity of receipt or delivery to receipts or deliveries during periods under similar conditions when the measurement equipment was deemed to have been registered accurately.

2.7 Preservation of Records. Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records or such longer period as may be required by the Federal Energy Regulatory Commission.

3. MEASUREMENT

- 3.1 Unit of Measurement. The unit of measurement for purpose of service under any of Texas-Ohio's Rate Schedules shall be one (1) Dekatherm. The number of Dekatherms shall be determined by multiplying the number of cubic feet of Gas received or delivered, measured on the Volumetric Measurement Basis, herein specified, by the Heating Value of such Gas, in British thermal units per Cubic Foot, as defined in Section 1 above, and dividing the product by one million (1,000,000). For reporting purposes, Btu conversion factors shall be reported to not less than three (3) decimal places and Pressure Base conversion factors should be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal place shall be used for both conversion factors.

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Original Sheet No. 46A Original Sheet No. 46A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- 3.2 Factors to be Considered. To determine the quantity of Gas, required factors shall be applied to take account of the pressure, temperature, specific gravity and deviation from Boyle's Law of the Gas at a point of measurement. Where measurement is by orifice

First Revised Sheet No. 47 First Revised Sheet No. 47 : Superseded
Superseding: Original Sheet No. 47

GENERAL TERMS AND CONDITIONS (Continued)

meter, the procedure for computation of such quantities, including the determination of orifice flow constant, shall conform to the referenced AGA Report No. 3 of the American Gas Association, dated May, 1985, as revised from time to time, applied in a practical manner.

- 3.3 Assumed Atmospheric Pressure. The average atmospheric (barometric) pressure shall be assumed to be 14.73 pounds PSIA regardless of actual elevation or location of the point of measurement above sea level or variations in actual barometric pressure from time to time.
- 3.4 Specific Gravity. The specific gravity of the Gas flowing through meters shall be determined by Gas chromatographic analysis, continuous recording gravimeter or continuous or spot sampling methods, unless otherwise agreed on by Customer or third party and Texas-Ohio. The arithmetic average of the specific gravity recorded during each day shall be used in computing Gas quantities or continuous instantaneous specific gravity measurements may be applied to metering instruments to provide quantity computation.
- 3.5 Deviation from Boyle's Law. Deviation from Boyle's Law shall be determined by tests, or computed by approved methods, based upon the composition of the Gas and conditions at the point of measurement, with such reasonable frequency as shall be deemed necessary.
- 3.6 Measurement Close.
 - (a) Measurement close shall not be later than the fifth (5th) business day of the month following the production Month. Missing or late measurement shall be estimated with actual data supplied later as a retroactive adjustment. Retroactive adjustments shall be taken back to the production Month and reported as a line item with the new total quantity for the Day and Month.
 - (b) The time limitation for correcting and reconciling any measurement shall be six (6) months from the time of the close of the production Month. Upon issuance of a retroactive adjustment, the affected parties shall have a three (3) month rebuttal period. This three (3) months rebuttal period shall

Substitute Original Sheet No. 47A Substitute Original Sheet No. 47A : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

begin with the customer issuing a written notification that a measurement dispute exists. This time limitation provision does not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact.

- (c) Parties' other statutory or contractual rights shall not otherwise be diminished by this limitation.

3.7 Measurement Prior Period Adjustments. For treatment of Measurement Prior Period Adjustments, Texas-Ohio shall treat the adjustment by taking it back to the production Month. A meter adjustment becomes a prior period adjustment after the fifth (5th) business day following the business month.

- (a) Measurement Prior Period Adjustments shall be reported with the new total quantity for the Day and the Month.
- (b) Missing or late measurement data shall be estimated by the measuring party. In such instances, Texas-Ohio shall treat actual data as a prior period adjustment.

4. QUALITY

4.1 Quality Standards. Except as otherwise provided below, all Gas tendered to Texas-Ohio at Receipt Point(s) and all Gas delivered by Texas-Ohio at the Delivery Point(s) shall conform to the following specifications:

- (a) Solids - the Gas shall be commercially free under continuous Gas flow conditions from objectionable odors, solid matter, dust, gum, and gum forming constituents which might interfere with its merchantability or cause injury to or interfere with the proper operation of the facilities through which its flows.
- (b) Oxygen - The oxygen (0.02) content shall not exceed two-tenths (0.2) of one percent (1.0%) by volume and every reasonable effort shall be made to keep the Gas free of oxygen.

GENERAL TERMS AND CONDITIONS (Continued)

- (c) Carbon Dioxide and Other Inerts - The Gas shall not contain more than four percent (4%) by volume of inerts such as carbon dioxide, nitrogen, argon, and helium; provided that the total carbon dioxide content shall not exceed one and one-quarter percent (1.25%) by volume.
- (d) Liquids - The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered. The Gas shall in no event contain water vapor in excess of seven (7) pounds of water per million cubic feet measured at the purchase base of 14.73 psia and sixty degrees Fahrenheit (60°).
- (e) Hydrogen Sulfide - The Gas shall not contain more than one quarter (0.25) of a grain (4 PPM) of hydrogen sulfide (H₂S) per one hundred (100) cubic feet.
- (f) Total Sulphur - The Gas shall not contain more than ten (10) grains of total sulphur per one hundred (100) cubic feet.
- (g) Carbon Monoxide - The Gas shall not contain more than one-tenth percent (0.1%) by volume of carbon monoxide.
- (h) Heating Value - The Gas shall contain an average heating content of not less than nine-hundred, sixty-seven (967) Btu's per Cubic Foot.
- (i) Temperature - The Gas shall be tendered at temperatures not in excess of one hundred-twenty degrees Fahrenheit (120°).
- (j) Gasoline - The Gas shall not contain more than two-tenths (0.2) of a gallon of natural Gasoline per 1,000 cubic feet as determined by Gas chromatographic analysis.
- (k) Microbiological Agents - The Gas shall not contain, either in the Gas or in any liquids with the Gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter

GENERAL TERMS AND CONDITIONS (Continued)

run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Pipeline and Customer or third party which is currently available or may become available at any time.

- 4.2 Quality Non-Compliance. If the Gas tendered for Customer's account to Texas-Ohio shall fail at any time to conform to any of the specifications set forth in this Section 4 or in Texas-Ohio's reasonable judgment, may cause harm to its facilities or diminish the quality of Gas, then Texas-Ohio shall have the right, after either written, oral or telephonic notice to Customer, to refuse to accept all or any portion of such Gas which does not comport with the quality standards established herein. In the event Texas-Ohio refuses to accept Gas tendered by Customer because such Gas does not conform to the specifications set forth herein, Customer shall not be relieved of its obligation to pay the monthly reservation charge plus the monthly usage charge, including any surcharges, as provided for in the applicable Rate Schedule.
- 4.3 Waiver of Quality Standards. Notwithstanding the requirements set forth in this Section 4, Texas-Ohio may allow Customer to tender for service or cause to be tendered, pursuant to an executed Service Agreement under Texas-Ohio's Rate Schedules, Gas which does not when injected into Texas-Ohio's facilities meet the quality specifications set forth in this Section; provided that Texas-Ohio's acceptance of such Gas shall not adversely impact Texas-Ohio's facilities or operations. In the event that Texas-Ohio's acceptance of such Gas results in the diminution in quality, quantity or economic value of Gas delivered to others, the Customer who tenders or causes to be tendered such Gas into Texas-Ohio's system shall be liable for any damage caused thereby and such Customer shall indemnify and hold Texas-Ohio harmless from any damage caused thereby; provided, however, that Customer shall not be obligated to indemnify Texas-Ohio for any damage resulting from Texas-Ohio's negligence or willful misconduct in its handling of the Gas pursuant to this Section.
- 4.4 Extraction. Texas-Ohio may extract or permit the extraction of moisture, helium, natural Gasoline, butane, propane and other hydrocarbons from said natural Gas, and/or other hydrocarbons from said natural Gas, and may subject said natural Gas to compression, cooling, cleaning or other processes as may be required in its transmission from the source thereof to the point or points of delivery. Texas-Ohio's sole responsibility is to

GENERAL TERMS AND CONDITIONS (Continued)

redeliver to Customers thermally equivalent quantities of Gas less the applicable Retention Percentage meeting the quality specifications of Section 4.

- 4.5 Commingling. Texas-Ohio shall have the unqualified right to commingle Gas transported hereunder with Gas from other sources, and to treat and handle all such Gas as its own. It is recognized that such Gas delivered at the Delivery Point(s) may not be the same molecules as those received at the Receipt Point(s).
- 4.6 Odorization. Texas-Ohio and Customer may agree, or governmental authorities may require, that the Gas be odorized by use of a commercially available malodorant agent of such character as to indicate by a distinctive odor the presence of Gas. Whenever odorized Gas is delivered, the quality and specifications of such Gas, as set forth in this Section 4, shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the Gas by Texas-Ohio, unless otherwise mutually agreed by Customer and Texas-Ohio, shall be for the purpose of detection of the Gas only during the time, prior to delivery to the Customer, when in possession of Texas-Ohio. Texas-Ohio and Customer may agree from time to time to allow Customer to deliver odorized Gas to Blue Grass. Texas-Ohio shall not be obligated to receive such odorized Gas from Customer when such receipt may, in Texas-Ohio's sole discretion, be detrimental to Texas-Ohio's system operations.

5. EQUALITY OF SERVICES

The terms and conditions of service for all transportation service provided under Texas-Ohio's FERC Gas Tariff are provided on a basis that is equal in quality for all Gas supplies. All Customers can access all sellers of Gas and receive the same quality of service on Texas-Ohio system. Furthermore, no preference is afforded to any affiliate of Texas-Ohio for transportation service which Texas-Ohio provides.

Original Sheet No. 51 Original Sheet No. 51 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

6. PROCEDURES FOR REQUESTING AND CONTRACTING FOR SERVICE

- 6.1 Requests for Service. To qualify for transportation service under any of Texas-Ohio' firm or interruptible Rate Schedules, a potential customer must submit a request for service in writing to Texas-Ohio, Manager, Transportation and Exchange. Such request shall be considered valid only if it contains all the information specified in Section 6.2 unless waived by Texas-Ohio on a non-discriminatory basis.
- 6.2 Form of Service Request. The form of service request is set forth on Sheet No. 163 of this tariff. To be considered as a valid request, a request for service must contain the following information:
 - (a) Shipper's Identification
 - (i) Name, address and telephone number of shipper;
 - (b) Type of Service Requested
 - (c) Gas Quantities Requested -- The Maximum Daily Quantity requested over the life of the delivery period allocated to each receipt and delivery point requested.
 - (d) Point(s) of Receipt
 - (i) The point(s) of entry into Texas-Ohio' system;
 - (e) Point(s) of Delivery
 - (i) The point(s) of delivery by Texas-Ohio;
 - (f) Term of Service - The date service is requested to commence and is requested to terminate.
- 6.3 Credit Evaluation. Texas-Ohio' acceptance of a request for service is contingent upon the requesting party's satisfying a credit evaluation by Texas-Ohio. An ongoing relationship or billing history between Texas-Ohio and the requesting party may serve to establish that party's creditworthiness. In the absence of a prior billing history, the requesting party will provide the following information as requested by Texas-Ohio:

GENERAL TERMS AND CONDITIONS (Continued)

- (a) Bank references;
 - (b) Year end audited financial statements together with the latest quarterly report;
 - (c) A statement of whether the requesting party is operating under any bankruptcy or insolvency law or any law relating to the relief of debtors, reorganization or creditors assignment; and
 - (d) Such other information as Customer deems necessary for Texas-Ohio to evaluate the creditworthiness of the Customer.
- 6.4 Credit Remediation. Upon notification by Texas-Ohio that Customer has failed to satisfy the credit criteria or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, such customer may still obtain credit approval by Texas-Ohio if it pays any outstanding balances due Texas-Ohio for service rendered or has complied with Section 10.6 of the General Terms and Conditions with regard to such balances and elects to provide one of the following:
- (a) an advance deposit or advance payment;
 - (b) a standby irrevocable letter of credit;
 - (c) security interest in collateral found to be satisfactory to Texas-Ohio; or
 - (d) a guarantee, acceptable to Texas-Ohio, by another person or entity which satisfies Texas-Ohio's creditworthiness criteria.
- 6.5 Reevaluation. Texas-Ohio reserves the right to reinspect a Customer's creditworthiness on an annual basis or more frequently as a reasonable question with respect to a Customer's creditworthiness may require.
- 6.6 Acceptance of Service Requests. Texas-Ohio will evaluate and respond to requests for service as soon as is reasonably possible. Texas-Ohio will accept those requests for firm service which satisfy all applicable operational and creditworthiness criteria when and to the extent that Texas-Ohio determines that capacity is available in

GENERAL TERMS AND CONDITIONS (Continued)

Texas-Ohio' existing facilities and that such capacity is not subject to a prior claim by another Customer or class of service under a pre-existing Service Agreement or certificate. Texas-Ohio shall not be required to perform the requested service in the event all facilities (except, but not limited to, minor taps) necessary to render the requested service do not exist at the time the request is made. Texas-Ohio will accept those requests for interruptible service which satisfy all applicable operational and creditworthiness criteria.

6.8 Service Agreement. A Service Agreement shall be executed by Customer and Texas-Ohio following Texas-Ohio' acceptance in writing of Customer's request for service. In the event the Service Agreement is not executed by Customer and returned and received by Texas-Ohio within fifteen (15) Days after Texas-Ohio tendered such Service Agreement for execution or in the event Customer fails to submit a valid nomination for transportation pursuant to an interruptible Service Agreement within ninety (90) Days after the later of (a) the date service is to commence, (b) the date the Service Agreement is fully executed by Customer and Texas-Ohio, or (c) the date that the facilities, if any, to be constructed are ready for service, the Service Agreement and the corresponding transportation request for service shall be considered null and void.

6.9 Contact Person. At the time that the Customer returns its Service Agreement it shall designate the names and telephone numbers of one or more contact persons who shall be available 24 hours per day 365 days per year.

7. SCHEDULING OF SERVICES

7.1 Nominations

(a) "Nomination" or "Nominate" shall mean a request by a Customer for prospective transportation under an executed Service Agreement and submitted to Texas-Ohio. A valid Nomination contains, at a minimum, the mandatory data included in Section 6.2 of this tariff and any additional data required, which is consistent with the provisions of the Customer's Service Agreement, and which has been delivered to Texas-Ohio in writing or via fax. If Customer fails to provide all required Nomination information, Texas-Ohio may request that the Customer provide the remaining information, or Texas-Ohio may reject the Nomination.

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FERC Docket: RP99- 85-000

First Revised Sheet No. 53A First Revised Sheet No. 53A : Superseded
Superseding: Original Sheet No. 53A

GENERAL TERMS AND CONDITIONS (Continued)

- (b) Nomination Procedures and Deadlines. Nominating Parties shall submit Nominations to Texas-Ohio in accordance with the procedures and conditions set forth in this section and GISB Standards incorporated by reference on Sheet No. 78. However, Texas-Ohio reserves the right to waive the deadlines specified herein, provided that no Customer shall be disadvantaged by such waiver.
- (c) Revised Nomination. Customers shall have the right, on or after the first Day of the calendar month, to submit a new Nomination or revise their existing Nomination for any Day during the Month. Such new or revised Nomination shall be implemented by Texas-Ohio and shall specify Customer's anticipated service requirements for the remainder of the calendar month.
- (d) Nomination must specify a Begin and End Date. Specifically, Customers may Nominate for several days, a Month or a Year, provided the Nomination begin and end dates are within the term of the Customer's contract. All Nominations excluding Intraday Nominations have roll-over options.
- (e) Overrun Nomination. Customer may separately Nominate quantities in excess of its MDQ. However, in the event that such excess quantities are included in other Nominations, the excess portion of such Nomination shall be scheduled pursuant to Section 7.7.

GENERAL TERMS AND CONDITIONS (Continued)

7.2 Nomination Communications

- (a) Texas-Ohio shall accept Nominations seven (7) days a week, twenty-four (24) hours a day, in writing or by fax. Texas-Ohio will provide after-hours and emergency contacts in the event communications are required beyond normal business hours.
- (b) Customer shall provide to Texas-Ohio the appropriate after-hours and emergency contacts for Customer.
- (c) In the event that Customer's contact data is not current, Texas-Ohio shall not be liable to Customer for any damages or losses that may occur as a result of Texas-Ohio's inability to communicate with Customer.

7.3 Daily Nomination and Confirmation Schedule (all times are Central Clock Time and represent the latest acceptable time for each event).

- (a) Gas Flow Period is one Gas Day which begins at 9:00 a.m. the Day following confirmation of the Nomination.
- (b) Nominations received after the Nomination Deadline shall be scheduled after Nominations received before the Nomination Deadline.
- (c) Texas-Ohio will support the following standard nomination cycles:
 - (1) The Timely Nomination Cycle: 11:30 a.m. for nominations leaving control of the nomination party; 11:45 a.m. for receipts of nominations by the transporter; noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

Effective Date: 11/02/1998 Status: Effective

FERC Docket: RP99- 85-001

Original Sheet No. 53C Original Sheet No. 53C : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- (2) The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the transporter; 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (clock time on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

Substitute Second Revised Sheet No. 54 Substitute Second Revised Sheet No. 54 : Superseded
Superseding: First Revised Sheet No. 54

GENERAL TERMS AND CONDITIONS (Continued)

7.4 Intraday Nomination Requirements. Texas-Ohio shall allow for intraday nominations.

- (a) Intraday Nominations are to be submitted in full-Day quantities.
- (b) Intraday Nominations may be submitted to increase or decrease total gas flow; or to nominate new supply or market. However, requests for decrease in flow shall only be accepted to the extent they do not represent a decrease below previous Confirmed Quantities which would have flowed on the requested Gas Day prior to the Nominated decrease, assuming even hourly flow rates.
- (c) Intraday Nominations which are not able to be Confirmed are considered to be void.
- (d) Intraday Nominations shall be considered complete upon Texas-Ohio's receipt of a valid Nomination and the corresponding up and downstream Confirmations.
- (e) Texas-Ohio will support the following standard nomination cycles:
 - (1) The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by the transporter; 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 p.m. Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on gas day).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on gas day.

Substitute Second Revised Sheet No. 54A Substitute Second Revised Sheet No. 54A : Superseded
Superseding: First Revised Sheet No. 54A

GENERAL TERMS AND CONDITIONS (Continued)

- (2) The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nomination party; 5:15 p.m. for receipt of nominations by transporter; 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 p.m. for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the gas day).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on gas day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

- (f) Any shipper whose scheduled quantity has been bumped by an intraday nomination shall be provided advance notice of such by the same communication method utilized to provide notice of Operation Flow Orders as specified in Section 8.2.

7.5 Retention Percentage. In addition to collecting the applicable charges and surcharges, Texas-Ohio shall retain from the gas tendered for transportation the effective Retainage Factor as shown on Sheet No. 5. The transportation priority for fuel shall be the same as that of the transaction to which it applies.

- (a) Retention Percentage calculation shall be rounded to the nearest Dth for each Nomination transaction.
- (b) Balanced Nomination transactions are calculated as follows:
- Receipt Quantity times $(1 - (\text{Retention Percentage} / 100 \text{ percent}))$ equals Delivery Quantity.

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FERC Docket: RP97-164-001

Original Sheet No. 54B Original Sheet No. 54B : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

7.6 Determination of Deliveries. At each Point of Receipt and Delivery, quantities shall be based upon an allocation procedure. Quantities shall mean quantities Nominated by Customer and scheduled and Confirmed by Texas-Ohio.

- (a) At each Point of Receipt and Point of Delivery, Texas-Ohio shall reach agreement with the interconnecting Party as to the Predefined Allocation Agreement (PDA) to be used for the next Gas Day.
- (b) PDAs shall be established using the allocation methodologies and criteria set forth in the GISB Standards.
- (c) PDAs for each Gas Day shall be agreed to prior to gas flow. To the extent possible, changes to PDAs during a Month shall be minimized or avoided.
- (d) In the event that less than Confirmed Nominations are to be allocated, Texas-Ohio shall use the ranking provided in the affected Nominations to determine Customer priorities to the extent that use of such ranking is not in conflict with other provisions of this tariff.
- (e) Texas-Ohio shall not be liable for any damages which may directly or indirectly result from Texas-Ohio's implementing the allocation procedures set forth in this section, so long as Texas-Ohio complies with the provisions of this section.
- (f) Absent agreement to a PDA methodology, quantities at each Point of Receipt or Delivery shall be allocated pro rata based on scheduled quantities. The party responsible for custody transfer (party performing the measurement) shall provide the allocation.
- (g) Texas-Ohio shall accept GISB-approved allocation methodology types from the upstream or downstream custody transfer party who is providing the point Confirmation. The upstream or downstream party shall provide the PDA to the allocating party after or during the Confirmation and before the start of the Gas Day.

First Revised Sheet No. 54C First Revised Sheet No. 54C : Superseded
Superseding: Substitute Original Sheet No. 54C

GENERAL TERMS AND CONDITIONS (Continued)

- (h) The time limitation for disputes of allocations should be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation of or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.
 - (i) A new allocation detail may be needed when a Nomination changes.
 - (j) The timing for reporting daily operational allocations after the gas has flowed shall be within one (1) business day after the end of the Gas Day. If the best available data for reporting daily operational allocations is the scheduled quantity, that quantity shall be used for the daily operational allocation .
 - (k) The responsibility for calculation and reporting allocated quantities shall rest with the party responsible for accepting GISB allocation. The party receiving Nominations shall provide allocation statements.
 - (l) At a minimum, allocation shall be provided by both contract and location.
- 7.7 Scheduling of Firm Transportation. Texas-Ohio will confirm all nominations with the Customer's designated contacts for upstream and downstream transportation. Upon confirmation, Texas-Ohio will schedule receipts and deliveries of Gas for each Day of the calendar Month based upon customer's confirmed nominations and the operating conditions of its system. No Gas shall flow under any nomination until Texas-Ohio has confirmed the nomination and scheduled the applicable quantities. In addition to making scheduled quantities information available at the end of each day, Texas-Ohio shall also make available to shippers information containing scheduled quantities for the just completed gas day, including scheduled intraday nominations and other scheduling changes. Receivers of the end of gas day scheduled quantity document can waive the sender's sending of the end of gas day scheduled quantity document.

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Substitute Original Sheet No. 54D Substitute Original Sheet No. 54D : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- 7.8 Scheduling of Interruptible Transportation. Based on nominations received, Texas-Ohio will schedule receipts and deliveries of gas for interruptible transportation on a first-come, first-served basis determined as of the date and time a valid nomination was received. If valid nominations are received at the same date and time from more than one Customer, and there is insufficient capacity available to serve all Customers after honoring all firm and previously received interruptible service requests, the remaining capacity will be allocated pro-rata among those Customers with the same request date and time.

First Revised Sheet No. 55 First Revised Sheet No. 55 : Superseded
Superseding: Original Sheet No. 55

GENERAL TERMS AND CONDITIONS (Continued)

- 7.9 Subscribed and Available Capacity. Texas-Ohio will maintain at all times a listing of the firm and interruptible capacity available on its mainline system, at receipt and delivery points. This information is available by telephone or fax. Customers may nominate available capacity during the Month in accordance with the procedures set forth in Section 7.

8. OPERATIONAL FLOW ORDERS

- 8.1 Generally. In the event that Texas-Ohio determines, in its sole discretion, that in order to permit the continued operation of all or part of its system a quantity of Gas must be received, delivered or curtailed at any point or location on its system, and that such operating requirement cannot be accomplished using the facilities under Texas-Ohio's control in the time period necessary, Texas-Ohio may issue operational flow orders which shall require specified action on the part of Customers, and which shall be applied on a non-discriminatory basis to all volumes flowing on the Texas-Ohio system.
- 8.2 Notice. Each Customer shall designate one or more persons for Texas-Ohio to contact on a 24 hour per day, 365 days a year basis. If Texas-Ohio invokes its rights under this section, it will provide actual notice of operational flow orders to the affected Customers, by telephone contact if possible, and by facsimile transmission. The notice will contain the following information:
- (a) The point(s) or location(s) on the Texas-Ohio system at which Texas-Ohio requires action in order to maintain system operations;
 - (b) The action required at each point or location, including the total quantity of Gas Texas-Ohio estimates it will require to be received, delivered;

First Revised Sheet No. 56 First Revised Sheet No. 56 : Superseded
Superseding: Original Sheet No. 56

GENERAL TERMS AND CONDITIONS (Continued)

- (c) A designation of the customers affected, and the specific individual action required by each;
- (d) The Day and time at which the operational flow order will become effective which shall be not less than eight (8) hours after issuance. If none is specified, the operational flow order shall be considered in effect until further notice;
- (e) The period of time during which Texas-Ohio expects the operational flow order to remain in effect. If Texas-Ohio is unable to contact any Customer because customer's contact person is unavailable. Customer shall be solely responsible for any consequences arising from such failure of communication.

If Texas-Ohio is unable to contact any Customer because customer's contact person is unavailable, Customer shall be solely responsible for any consequences arising from such failure of communication.

8.3 Compliance. Compliance with operational flow orders issued by Texas-Ohio is essential to Texas-Ohio's ability to provide services under all of its Rate Schedules. Any Customer may be required to adjust its receipts or its deliveries to comply with an operational flow order, provided that no Customer may be required to adjust its receipts or deliveries under an OFO so as to exceed its contract entitlements. To the extent that a Customer's receipts or deliveries are changed by the issuance of an OFO over the receipts or deliveries scheduled for the Customer on the Day(s) that the OFO is in effect, the receipts or deliveries required by the OFO shall supersede and replace the receipts or deliveries previously scheduled. If any Customer fails to comply with an operational flow order on the Day and time of its effectiveness, Texas-Ohio will notify the Customer of such noncompliance as soon thereafter as practicable, and the Customer will have one hour, or such lesser time as is appropriate under the circumstances, to comply with the operational flow order. If Customer and/or Customer's supplier, operator, or transporter fail to comply with the terms of an operational flow order, such Customer shall (a) be liable for any damages including, but not limited to, direct, consequential, exemplary, or punitive damages incurred by Texas-Ohio or any other party as a result of such failure.

Substitute First Revised Sheet No. 57 Substitute First Revised Sheet No. 57 : Superseded
Superseding: Original Sheet No. 57

GENERAL TERMS AND CONDITIONS (Continued)

- 8.4 Reporting. As soon as feasible after the issuance of an OFO and not more frequently than once a month, Texas-Ohio will file a written report with the Commission detailing the cause of the OFO, the Customers affected, the action required, the actual or expected duration of the OFO, and such other information necessary to justify issuance of the OFO.

9. BILLING, PAYMENT AND REIMBURSEMENT

9.1 Billing.

- (a) On or before the ninth (9th) business day of each month, Texas-Ohio shall Render or furnish to each Customer a statement of the transportation charge in effect and of the total payment due hereunder for receipt of Gas during the preceding Month. Such statement will include the quantities of Gas (in Dth) received and delivered, including Equivalent Quantities, Fuel Gas, Unaccounted-for Gas, Gas vented, and any imbalance. Should Texas-Ohio be unable to furnish a statement of actual quantities by the ninth (9th) business day of any month, Texas-Ohio may furnish an estimated statement and make appropriate adjustments in the statement rendered for the next succeeding Month. Texas-Ohio will differentiate between sales, transportation and storage transactions through charge codes.
- (b) Allocated quantities and imbalances must be expressed in the same units as the Nominated quantities.
- (c) Imbalance statements must be generated at the same time or prior to the generation of the transportation invoice.

First Revised Sheet No. 57A First Revised Sheet No. 57A : Superseded
Superseding: Substitute Original Sheet No. 57A

GENERAL TERMS AND CONDITIONS (Continued)

- (d) Supporting documentation will be provided upon request, with the timing of the documentation to follow the timing of the flowing gas transactions.
 - (e) Texas-Ohio will provide a statement of account that is separate from the invoice as a transaction type. Texas-Ohio will indicate the amount paid on prior period adjustments on the statement of account.
- 9.2 Payment. Payment for Gas delivered during the billing Month shall be made within 10 days after billing therefor. Customer shall pay Texas-Ohio by wire transfer of Federal Funds which are made immediately available to Texas-Ohio at such bank account as Texas-Ohio shall designate on or before the twentieth day of the month following the Billing month, except when such twentieth day of the month is a Saturday, Sunday or federal bank holiday, in which case payment is due on the following business day. All such payments shall be considered to have been made on the date when Texas-Ohio has use of said funds. Notwithstanding the foregoing, a Customer whose monthly statement total amount due is less than \$50,000.00 may elect to make payment by check which shall be sent by U.S. Mail, First Class delivery and post marked on or before the twentieth day of the month. If Texas-Ohio is late one or more days in rendering a bill for payment, then the time of payment shall be extended by the same number of days unless Customer is responsible for such delay. Customer making payment shall submit supporting documentation; Texas-Ohio will apply payment per supporting documentation provided by Customers. If payment differs from invoiced amount, remittance detail shall be provided with the payment. Customer shall identify invoice number on all payments.
- 9.3 Prior period adjustment time limits shall be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales invoice with a three-month (3-month) rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Prior period adjustments are reported by production date, but they do not have to be invoiced separately by production Month, nor is each production Month a separate paper invoice page. No imbalance penalty should be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

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Original Sheet No. 57B Original Sheet No. 57B : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- 9.4 Failure to Pay Bills. Should Customer fail to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of the bill shall accrue as permitted by the Commission's Regulations. If such failure to pay continues for thirty (30) days after payment is due, Texas-Ohio,

Substitute First Revised Sheet No. 58 Substitute First Revised Sheet No. 58 : Superseded
Superseding: Original Sheet No. 58

GENERAL TERMS AND CONDITIONS (Continued)

in addition to any other remedy it may have, may, after necessary application to and authorization by governmental authority having jurisdiction, suspend further delivery of Gas until such amount is paid; provided, however, that if customer in good faith shall dispute the amount of any such bill or part thereof and shall pay to Texas-Ohio such amounts as it concedes to be correct, and at any time thereafter within thirty (30) days of a demand made by Texas-Ohio, shall furnish good and sufficient surety bond guaranteeing payment to Texas-Ohio of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Texas-Ohio shall not be entitled to suspend further delivery of Gas unless and until default be made in the conditions of such bond. After the correct amount of the bill is determined, by whatever means, Texas-Ohio shall be entitled to recover and the Customer shall be obligated to pay, in addition to the correct amount of the bill, carrying charges on the correct amount of the bill for the period it was unpaid, assessed at the prevailing prime interest rate at the time plus two percent.

9.5 Customer and Texas-Ohio shall have the right to examine at reasonable times, books, records, and charts of the other to the extent necessary to verify the accuracy of any statement, charge, or computation made under or pursuant to any of the provisions hereof.

9.6 The imbalance statement shall be rendered prior to or with the invoice, and the transportation invoice shall be prepared on or before the ninth (9th) business day after the end of the production Month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site.

10. ORDER NO. 497 COMPLIANCE PROCEDURES

10.1 Shared Personnel and Facilities.

(a) Certain personnel working for affiliated marketing companies of Texas-Ohio are involved in the operation of the pipeline system of Texas-Ohio. The names and titles of such personnel are as follows:

- (1) Tom Clark, Vice President, Texas-Ohio Pipeline, Inc.
- (2) T. Pat Harrison, President and CEO, Texas-Ohio Gas, Inc.

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- (3) Terry L. Moore, President and COO, Texas-Ohio Producing Company.
- (4) Brett Thomas, Vice President, Operations, Texas-Ohio Gas, Inc.
- (b) Common facilities are located at One Memorial City Plaza, 800 Gessner, Suite 900, Houston, Texas 77024. These facilities include office furniture and equipment. These facilities

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are shared by personnel performing work for Transporter and Transporter's affiliated marketing companies.

- 10.2 Complaints. Complaints by Customers concerning any of Texas-Ohio's Order No. 497 compliance procedures shall be submitted to Texas-Ohio, attention Tom Clark, and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Within forty-eight (48) hours of receipt of this information, Texas-Ohio shall respond initially to the Customer, and within thirty (30) days of receipt of this information, Texas-Ohio shall provide a written response to the Customer.
- 10.3 Communication of Pricing and Capacity Information. If Texas-Ohio offers a transportation discount to a marketing affiliate or offers a discount for a transportation transaction in which an affiliate is involved, Texas-Ohio will provide notice of the discount to all Customers by telephone or fax. The notice will provide:
- (i) the name of the affiliate involved;
 - (ii) the rate charged;
 - (iii) the maximum rate;
 - (iv) the time period for which the discount applies;
 - (v) the quantity of gas scheduled to be moved;
 - (vi) the delivery points under the transaction; and
 - (vii) the procedures by which other Customers can request a comparable offer. Such notice shall be provided by telephone or fax within 24 hours of the day when gas first flows under the transaction and will remain available for thirty (30) days.
- 10.4 Contemporaneous Disclosure of Information Related to Transportation of Natural Gas. To the extent Texas-Ohio provides to its affiliated marketing companies information related to transportation of natural gas, Texas-Ohio shall contemporaneously disclose such information, all customers affiliated and non-affiliated, by telephonic or fax communication; provided, however, Texas-Ohio shall not be required to contemporaneously

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disclose information related to transportation of natural gas which Texas-Ohio receives from nonaffiliated Customers.

11. ELECTRONIC BULLETIN BOARD

- 11.1 Texas-Ohio does not maintain an electronic bulletin board at this time, but can be reached at all times at the following numbers:

Telephone: 713-468-4686
Fax: 713-468-1457

- 11.2 Texas-Ohio will provide access to standardized information relevant to the availability of service on its system by telephone or fax. Texas-Ohio will maintain records of the standardized information for three years, and will make archived material available to Customers in hard copy by contacting Texas-Ohio.

- 11.3 Available Information. The following information shall be available by telephone or fax upon request:

- (a) Current availability of firm and interruptible transportation and capacity on the mainline and at receipt and delivery points;
- (b) Currently effective rates;
- (c) Discounting information;
- (d) Transactions with affiliates as required Commission's Order Nos. 497, et seq.;

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- (e) Contract information including capacity entitlements at each receipt and delivery point;
- (f) Capacity available through Texas-Ohio' capacity release program, and bids received for released capacity;
- (g) Notices and information prescribed by various provisions of this Tariff; and
- (h) Texas-Ohio' currently effective FERC Gas Tariff.

12. PRESSURE

- 12.1 Receipt Pressure Obligations. Customer shall deliver Gas or cause Gas to be tendered to Texas-Ohio for Customer's account at the Receipt Point(s) specified in the Service Agreement at the pressure necessary to enter Texas-Ohio' facilities, but not in excess of any maximum receipt pressure obligation specified in the executed Service Agreement or in excess of the maximum allowable operating pressure for Texas-Ohio' facilities at the Receipt Point; provided, further, that Texas-Ohio shall not be obligated to reduce the pressures in its facilities at such Receipt Point below the pressures which it determines, in its sole judgement, are required from time to time for the operation of its facilities.
- 12.2 Delivery Pressure Obligations. Texas-Ohio shall deliver Gas hereunder for Customer's account at the Delivery Point(s) specified in the Service Agreement at the pressure existing in Texas-Ohio' facilities from time to time; provided, however, Texas-Ohio shall not be obligated to deliver Gas at pressures in excess of the maximum delivery pressure obligation specified in such Service Agreement. Texas-Ohio shall not be obligated to deliver Gas at any time at a pressure in excess of the maximum allowable operating pressure for Texas-Ohio' facilities at the Delivery Point. In addition, Texas-Ohio and Customer may specify

GENERAL TERMS AND CONDITIONS (Continued)

in the executed Service Agreement a minimum delivery pressure obligation at any Delivery Point, and Texas-Ohio shall not be obligated to reduce the pressures in its facilities at such Delivery Point below such minimum delivery pressure obligation.

13. FORCE MAJEURE

Neither Texas-Ohio nor a Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, acts of third parties, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe; curtailments or interruptions of Gas service which may be required, on notice by Texas-Ohio to Customer, under any regulation or order of, or any rule filed with and accepted by, any regulatory body having jurisdiction; any other binding order which has been resisted in good faith by all reasonable legal means; and any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension. Such causes or contingencies affecting the performance under the Service Agreement by either Texas-Ohio or a Customer, however, shall not relieve it of liability in the event of its concurrent negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payment of amounts due hereunder. Failure or interruption of service of Texas-Ohio's system shall not constitute a force majeure event for purposes of a Customer's responsibility to pay the monthly demand charge plus the monthly commodity charge, including any surcharges, otherwise owing under Texas-Ohio's Rate Schedules.

14. NOTICES

Any notice, request, demand, statement or bill provided for in these General Terms and Conditions, and the Rate Schedules to which they apply, or any notice which either Texas-Ohio or Customer may desire

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to give to the other, shall be submitted in writing. Written notice shall be considered as duly delivered when mailed by registered mail to the Post Office Address of Texas-Ohio or Customer or at such other address as either shall designate by formal written notice. Faxed notices shall be considered as duly delivered when transmission is successfully received. Routine communications, including monthly statements and payments, and bills shall be considered as duly delivered when mailed by either registered or ordinary mail. System-wide notices shall have a separate category for notices that are not critical.

15. DULY CONSTITUTED AUTHORITIES

These General Terms and Conditions, the Rate Schedules to which they apply and any executed Service Agreement for service thereunder are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.

16. CONTROL AND POSSESSION OF GAS

Texas-Ohio shall have no responsibility with respect to Customer's Gas prior to Texas-Ohio's acceptance of such Gas or after delivery of such Gas by Texas-Ohio pursuant to a Service Agreement. Customer shall have sole responsibility for all arrangements necessary for tenders of Gas to Texas-Ohio at the Receipt Point(s) and for all arrangements necessary for deliveries of Gas for the account of Customer at the Delivery Point(s).

17. WARRANTY OF TITLE AND INDEMNIFICATION

Customer warrants that it will, at the time of tender to Texas-Ohio, have good and merchantable title or good right to have transported all Gas so tendered free and clear of all liens, encumbrances, and claims whatsoever and agrees to indemnify Texas-Ohio and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising out of adverse claims of any or all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are applicable to such Gas and/or the tender of such Gas to Texas-Ohio.

GENERAL TERMS AND CONDITIONS (Continued)

18. ASSIGNMENTS

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Texas-Ohio or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title. Customer may, without relieving itself of its obligations hereunder, assign any of its rights to a company with which it is affiliated, but otherwise no assignment of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of Texas-Ohio. Texas-Ohio may freely assign its rights or obligation thereunder to any entity, which assignment shall be effective upon notice to Customer.

19. NON-WAIVER OF FUTURE DEFAULT

No waiver by Texas-Ohio or default of a customer under any provision of these General Terms and Conditions shall operate or be construed as a waiver by Texas-Ohio of any other existing or future default or defaults, whether of a like or different character, for the same or any other Customer.

20. PROCEDURES FOR AVOIDANCE OF PREGRANTED ABANDONMENT

- (a) This Section shall govern the rights of Customers under long-term firm Service Agreements, defined as those service agreements under any firm Rate Schedule with a primary term of one (1) year or more, to avoid pre-granted abandonment of their service at the expiration of the primary term of their service agreements through the right of first refusal. To the extent that Customer satisfies the bid matching requirements or Texas-Ohio and Customer reach agreement as provided in this section such Customer may retain its capacity and continue to receive firm service under a long-term Service Agreement for which Texas-Ohio has served notice of termination. If Customer does not satisfy the bid matching requirements of this Section or Texas-Ohio and Customer do not reach agreement, Customer shall no longer have, as of the termination date of the service agreement, rights under the long-term firm Service Agreement for which Texas-Ohio has served notice of termination and Texas-Ohio shall have all necessary abandonment authorizations under the Natural Gas Act. This Section is not applicable and

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Customer shall have no rights hereunder to the extent that a long-term firm Service Agreement is terminated by Customer, and Texas-Ohio shall have all necessary abandonment authorization under the Natural Gas Act.

Interruptible Service Agreements under interruptible rate schedules are not subject to the abandonment protection of this Section 20. Upon termination of such interruptible service agreement, Texas-Ohio shall have all necessary abandonment authorization under the Natural Gas Act effective months as of such termination date.

- (b) Texas-Ohio shall provide a notice of termination via telephone or fax three (3) months prior to the proposed termination of a long-term firm Service Agreement. The notice will include the following information:
 - (1) the specific quantity available under the service agreement to be terminated;
 - (2) the date of expiration; and
 - (3) the current maximum rate applicable to the service agreement to be terminated.
- (c) The deadline for the submission of bids from Replacement Customers, who desire service to be provided in whole or in part through the capacity to be made available upon termination of a long-term Service Agreement, shall be the last day of the month in which Texas-Ohio posts an applicable notice pursuant to this Section. To be a valid bid, a bid must comply with the bid requirements set forth in Section 20(d). At the close of such bidding period, Texas-Ohio shall select among the valid bids the "best bid(s)", as determined pursuant to Section 20(e), and shall relay the relevant terms of such "best bid(s)" to the Customer whose long-term Service Agreement is being terminated by Texas-Ohio. If Customer elects to match, as determined by Section 20(f), the "best bid(s)", the Customer shall be entitled to retain its capacity and continue to receive firm service under a long-term firm Service Agreement which reflects the matching of the relevant contractual provisions of the "best bid(s)". If Customer does not match the "best bid(s)", then Customer's existing long-term Service Agreement shall terminate and Texas-Ohio shall have all

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necessary abandonment authorization under the Natural Gas Act. In the event there is no "best bid(s)" for Customer to match, Section 20(G) shall determine whether Customer shall be entitled to retain its capacity and continue to receive service.

- (d) To be a valid bid, the Replacement Customer must provide all information and data required by Section 6.1 through 6.3 of the General Terms and Conditions. Texas-Ohio may reject any bids which would require Texas-Ohio to discount its rates to a level below its maximum rates or to continue such discount for a period of time that is not agreeable to Texas-Ohio.
- (e) Texas-Ohio shall review all bids from Replacement Customers which have not been rejected by Texas-Ohio, to determine which bid is the "best bid(s)". For purposes of this Section, the "best bid(s)" shall be the bids which yields to Texas-Ohio the highest net present value. Net present value shall be calculated on the basis of the present value of the monthly charge plus the monthly charge per unit to Texas-Ohio. In making the determination of net present value Texas-Ohio shall apply the rate, as of the date of the review, of the most recently auctioned 15-year United States Treasury Bond.
- (f) Upon receipt from Texas-Ohio of the "best bid(s)", Customer shall have the right for a thirty (30) day period in which to notify Texas-Ohio whether the Customer is willing to match the "best bid(s)" for the capacity in whole or in part, made available by the termination of its long-term service agreement. Failure to notify Texas-Ohio within said thirty (30) day period constitutes a non-revocable waiver of Customer's right to match the "best bid(s)". In order to match the "best bid(s)", Customer must agree to a rate up to the maximum rate and contract term that provide Texas-Ohio with at least the same net present value, for an equivalent amount of capacity, as the valid "best bid(s)" submitted by the Replacement Customer(s); provided, however, the maximum rate a Customer must match is the maximum rate that Texas-Ohio can charge for delivery to the Customer's Delivery Point under the applicable long term Service Agreement, and the maximum contract term a Customer must match shall not exceed five (5) years.

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- (g) In the event Texas-Ohio does not receive any bids or Texas Ohio rejects all bids Texas-Ohio and Customer may mutually agree upon the terms and conditions under which Customer shall be entitled to retain its capacity and continue to receive service. In no event shall Texas-Ohio and Customer agree upon terms which yields to Texas-Ohio a net present value less than any bid received pursuant to Section 20(c) and rejected by Texas-Ohio. In the event Texas-Ohio and Customer have not reached agreement on the terms and conditions under which service will be extended before the termination date, at Customer's election, service for all or part of the contractual quantity will be extended for a term to be specified by the Customer, so long as such Customer agrees to pay the maximum rate; provided, however, if Texas-Ohio and Customer mutually agree to a lower rate which yields to Texas-Ohio a net present value equal to or greater than any bid received pursuant to Section 20(c) and rejected by Texas-Ohio, the Customer does not have to pay the maximum rate to retain the capacity. Texas Ohio shall have all necessary pregranted abandonment authorization as to any part of the contractual quantity for which Customer elects not to extend service.

21. CAPACITY RELEASE

- 21.1 Purpose. This Section sets forth the specific terms and conditions which shall apply on a uniform, non-discriminatory basis to the right of firm Part 284 customers to release capacity entitlements on the Texas-Ohio system.
- 21.2 Applicability. This Section is applicable to any Customer that has executed a Service Agreement for firm transportation service under Texas-Ohio's open-access Rate Schedules. Any such Customer shall have the right to release any portion of the firm capacity entitlements it holds provided that the capacity released is acquired by a Replacement Customer pursuant to the terms of this section.
- 21.3 General Provisions. Beginning on May 1, 1995, any firm Customer is eligible to release its Part 284 capacity for use by a Replacement Customer subject to the provisions of this Section.
- (a) A Releasing Customer may release any portion of its capacity between a minimum release requirement of 500 Dth/d and its Maximum Daily Quantity, and may release

GENERAL TERMS AND CONDITIONS (Continued)

capacity for a minimum term of one Day up to the remaining term of its firm Service Agreement.

- (b) Any Replacement Customer which has previously contracted for released capacity may also release the capacity to another party as long as the terms of the prior release do not prohibit subsequent release, and the remaining term for the released capacity is for more than one month. While there is no restriction on the number of times capacity can be released, the original terms and conditions on release imposed by the Releasing Customer(s), including any right to recall the capacity will continue to apply to all subsequent releases.
- (c) Any party interested in acquiring capacity through Texas-Ohio' capacity release program must submit all credit information required in Section 6.3 of these General Terms and Conditions and be prequalified before the party can submit bids under Texas-Ohio' capacity release program. Texas-Ohio may reject any bids received from parties that have not been prequalified.
- (d) Texas-Ohio will enter into a Service Agreement with the Replacement Customer prior to the commencement of service which confirms the terms and conditions applicable to the released capacity. A Replacement Customer acquires all rights and obligations of the Releasing Customer.
- (e) Irrespective of the release of its capacity, the Releasing Customer remains bound and liable for performance under its Service Agreement unless excused in writing by Texas-Ohio. The excuse of performance under a Service Agreement of a releasing customer shall be at Texas-Ohio' sole discretion, and may be conditioned on exit fees and recovery by Texas-Ohio of other amounts due. Texas-Ohio will exercise its discretion to excuse the performance of a Releasing Customer in a non-discriminatory manner. In the case of a permanent release of capacity, the Releasing Customer will be excused from performance under its Service Agreement if the Replacement

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Customer has entered into a Service Agreement for the remaining term of the Releasing Customer's Service Agreement, and has agreed to pay the maximum rate.

- (f) A Releasing Customer may release capacity on a firm or interruptible basis, but not both simultaneously. If a releasing customer has previously released its capacity on an interruptible basis, it may elect to release the same capacity on a firm basis during the interruptible release term. A firm release will terminate the interruptible release arrangement.
 - (g) Any specific release conditions requested by a releasing customer must relate solely to acquiring capacity on the Texas-Ohio system, be operationally feasible, and be nondiscriminatory to other shippers.
 - (h) A bid may be withdrawn after it is received by Texas-Ohio at any time via telephone or fax up to the last day of the bidding cycle. Once a bidder withdraws its bid for an identified package of release capacity, it cannot submit a subsequent bid for the same released capacity unless the subsequent bid is for an equal or higher rate than the original bid. Once a bid from an approved bidder is accepted by Texas-Ohio, it shall be considered a binding agreement.
 - (i) Bids for released capacity may not exceed the maximum tariff rate for the applicable service set forth in Texas-Ohio's FERC Gas Tariff, as may be changed from time to time.
 - (j) Releasing Customer may specify dollars and cents or percents of maximum tariff rate in the determination of bids. Once the choice is made by the Releasing Customer, the bids must comport with the convention elected by the Releasing Customer.
- 21.4 Notice to Texas-Ohio by Releasing Customer. A Releasing Customer that wishes to release capacity to a Pre-arranged Replacement Customer or place capacity up for bid through Texas-Ohio's capacity release program shall notify Texas-Ohio that it elects to release firm capacity. For any release of capacity for which bidding is required, said notice shall be provided to Texas-Ohio at least five (5) business days prior to the first day of the continued anticipated release or such lesser time as Texas-Ohio may agree to. For releases of capacity of less than month duration where the Releasing Customer has prearranged a

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Replacement Customer and no bidding is required, said notice must be provided to Texas-Ohio at least two (2) days prior to the first day of the anticipated release.

- (a) The notice shall set forth the following information:
 - (1) Releasing Customer's name and the name and title of the individual authorizing the release of capacity;
 - (2) Service Agreement number;
 - (3) The maximum and minimum quantity of firm daily capacity which the releasing customer desires to release;
 - (4) Whether the release is firm or interruptible, and the conditions on interruption including Recall rights;
 - (5) The requested effective date and the term of the release;
 - (6) Whether the Releasing Customer is willing to consider release for a shorter time period;
 - (7) Whether the Releasing Customer is willing to consider releasing capacity at a rate lower than the maximum rate for the applicable service;
 - (8) Whether the Releasing Customer wants Texas-Ohio to market its released capacity;
 - (9) The criteria which Texas-Ohio should apply in determining the "best bid" and any tie-breaker to be applied in the event of equal bids. Said criteria must be objectively stated and non-discriminatory; and
 - (10) The length of the bidding period desired.
- (b) A Releasing Customer shall not be able to specify an extension of the original bid period or the pre-arranged deal match period, without notifying Texas-Ohio of a new release.

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- (c) The Releasing Customer has the right to withdraw its offer during the bid period where unanticipated circumstances justify withdrawal and no minimum bid has been made. Offers shall be binding until written notice of withdrawal is received by Texas-Ohio.
- 21.5 Notice of Pre-arranged Release. If the Releasing Customer has a Pre-arranged Replacement Customer for the released capacity it must include in the notice to Texas-Ohio required in Section 21.4 the existence of a Pre-arranged Replacement Customer, the terms of the pre-arranged deal and whether the Pre-arranged Replacement Customer is an affiliate of the Releasing Customer. If the pre-arranged release is for a term of less than one Month, the information required under Section 21.4(g)-(j) may be omitted.
- 21.6 Offers to Purchase Capacity. Any party interested in acquiring capacity through Texas-Ohio' capacity release program may provide Texas-Ohio with an offer to purchase capacity. Texas-Ohio will make available such offers to any requesting party.

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21.7 Notification.

- (a) Notification of Releases. Texas-Ohio will make available the release information on via telephone or fax no later than the start of the next business day after its receipt of the notice. The bidding period shall commence on the day that the notice of released capacity is available. In addition to the information provided by the Releasing Customer, the available information will specify the deadline for submitting bids on the capacity and any other information relevant to the submission of bids. Such information will continue for the duration of the bidding period specified in the notice. No prior bidding shall be required for pre-arranged releases of capacity at the applicable maximum rate or for pre-arranged release which are for a term of less than thirty (30) Days; provided that Texas-Ohio will make available a list of such transactions within 48 hours of the effective date of release.
- (b) Notification of Bids. Texas-Ohio shall make available all bids received for released capacity as bids are received during the bidding period, but shall not disclose the identity of the bidder.
- (c) Capacity Release historical data shall be made available on a consistent basis from Texas-Ohio upon written request for the FERC archival period.
- (d) Texas-Ohio will provide in written form, upon request, operationally available capacity separate from unsubscribed capacity.

21.8 Bidding Process. All bids must be submitted during the bidding period via telephone or fax. Bids which are submitted in some different form or after the bidding period will not be eligible to receive the released capacity.

- (a) For short-term releases (less than five months):
 - (1) Offers should be tendered by 1:00 p.m. on the day before nominations for short-term releases (less than five (5) months);

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- (2) Open season ends no later than 2:00 p.m. on the day before nominations are due (evaluation period begins at 2:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);
 - (3) Evaluation period ends at 3:00 p.m.;
 - (4) Match or award is communicated by 3:00 p.m.;
 - (5) Match response by 4:00 p.m.;
 - (6) Award posting by 5:00 p.m.;
 - (7) Posting of pre-arranged deals not subject to bid by 9:00 a.m. the day of nominations; and
 - (8) Contract tendered with contract number (#) by 10:00 a.m., contract executed, and nomination possible for next day gas flow (CCT).
- (b) For long-term releases (five months or more):
- (1) Offers should be tendered by 1:00 p.m. four business days before award of long-term releases;
 - (2) Open season ends no later than 2:00 p.m. on the day before nominations are due (open season is three (3) Business Days);
 - (3) Evaluation period begins at 2:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - (4) Evaluation period ends at 3:00 p.m.;
 - (5) Match or award is communicated by 3:00 p.m.;
 - (6) Match response by 4:00 p.m.;
 - (7) Award posting by 5:00 p.m.;
 - (8) Posting of pre-arranged deals not subject to bid by 9:00 a.m. the day of nominations; and
 - (9) Contract tendered with contract number (#) by 10:00 a.m., contract executed, and nomination possible for next day gas flow (CCT).

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- (a) Each bid for released capacity must contain the following information:
 - (1) Bidders legal name, address, and the name and title of the individual responsible for authorizing the bid;
 - (2) The term of the proposed acquisition;
 - (3) The maximum rate(s) Bidder is willing to pay for the capacity;
 - (4) The volume desired;
 - (5) Whether or not the Bidder is an affiliate of the Releasing Customer; and
 - (6) All other information requested by Releasing Customer.
- (b) Any bid received by Texas-Ohio during the bidding period shall be binding on the bidder unless rescinded by the bidder prior to the close of the bidding period. Once a bidder withdraws a bid, it cannot submit a subsequent bid for the same released capacity unless the subsequent bid is for an equal or higher rate than the original bid. To be considered, a bid must satisfy the minimum terms imposed by the releasing customer.
- (c) Recall and Reput of Capacity. There shall be no partial day Recall of Capacity. Texas-Ohio shall support the function of reputting by releasing shippers. If capacity is released subject to Recall pursuant to this Section, in addition to such other terms and conditions not inconsistent with this Section as are agreed to by the Releasing Customer and the Replacement Customer, Recall of such capacity shall be subject to the following terms and conditions:
 - (1) The minimum Recall period is one Day;
 - (2) Recall must be for whole Day periods;
 - (3) Unless otherwise agreed between Releasing Customer, Replacement Customer, and Texas-Ohio, the Releasing Customer must notify Texas-Ohio and Replacement

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Customer by 8:00 a.m. CCT prior to Texas-Ohio's Nomination deadline of its intention to Recall its capacity. This notification must detail Point(s) of Receipt and Delivery and quantities being Recalled. The notification may also state the length of the Recall period and shall also state the conditions of any Reput rights of the Releasing Customer and Reput obligations of the Replacement Customer as may have been negotiated at the time of the release (see Section 21.7(a)). Unless otherwise agreed to by the Releasing Customer and the Replacement Customer, and Texas-Ohio is so advised, the Replacement Customer shall regain the capacity at the end of the Recall period;

- (4) If the length of the Recall period is not specified or otherwise agreed between Releasing Customer, Replacement Customer, and Texas-Ohio, the Releasing Customer must notify Texas-Ohio and Replacement Customer by 8:00 a.m. CCT before Texas-Ohio's Nomination deadline of its intent to Reput the capacity back to the Replacement Customer; and
- (5) In the event of a Reput after a Recall period, the Releasing Customer may not Reput primary point(s) other than those originally released. Unless otherwise agreed to in the terms of the release and Texas-Ohio is advised of such condition, the Releasing Customer may permanently retain capacity at certain Primary Points originally released.

21.9 Awarding of Released Capacity. Released capacity shall be made available on a nondiscriminatory basis in accordance with the procedures described herein. Within one (1) business day after the close of the bidding period, Texas-Ohio will evaluate all bids received, and select the bid which will receive the released capacity. Initially, Texas-Ohio will eliminate from consideration those bids which do not meet the minimum conditions established by the releasing customer and those bids which have not complied with Texas-Ohio's own creditworthiness criteria. If the releasing customer has provided criteria for determining the "best bid", Texas-Ohio will apply those criteria to determine which bid receives the capacity. If no evaluation criteria have been provided by the releasing customer, Texas-Ohio will award the released capacity

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based on the application of the following criteria:

- (a) If there is only one valid bid, Texas-Ohio will award the released capacity to that bidder;
- (b) If more than one valid bid is received, Texas-Ohio will award the released capacity to the bidder offering the maximum applicable rate for the maximum term specified by the releasing customer;
- (c) If more than one valid bid is received and none offers the maximum applicable rate for the maximum term, Texas-Ohio will award the capacity to the bid offering the maximum revenue over the minimum term of the release; and
- (d) If bids from two or more Bidding Customers result in bids of the highest equal value, the first bid received of highest equal value will be awarded the capacity. In the case where valid bids for less than the full release quantity have been received, Texas-Ohio shall, where appropriate, award all valid bids until all offered capacity has been awarded.

21.10 Right of First Refusal. In the case of a pre-arranged bid, if the bid submitted by a subsequent bidder exceeds the value of the bid submitted by the Pre-arranged Replacement Customer, the Pre-arranged Replacement Customer will be given the opportunity to match the terms of the subsequent bid. Within one (1) business day of the close of the bidding period, Texas-Ohio will notify the Releasing Customer and the Pre-arranged Replacement Customer of the terms of the better bid. The Pre-arranged Replacement Customer will then have one (1) business day to match those terms. Otherwise, the capacity will be awarded to the other bidder.

21.11 Capacity Not Released. The Releasing Customer shall retain all of the capacity that is not acquired by a Replacement Customer as the result of the bidding process or a pre-arranged deal.

21.12 Execution of Agreements. Texas-Ohio's acceptance of a bid shall constitute a binding agreement between Texas-Ohio and the Releasing Customer under which the Releasing Customer releases the capacity described in the accepted bid and a binding agreement between Texas-Ohio and the Replacement Customer under which the Replacement Customer acquires those rights of the releasing Customer's that are described in the accepted bid. No later than two (2) business day after awarding the capacity, Texas-Ohio will provide the Replacement Customer with a Service Agreement for the

GENERAL TERMS AND CONDITIONS (Continued)

capacity awarded. The Replacement Customer will be required to execute and return to Texas-Ohio a Service Agreement reflecting the terms of the released capacity. The executed Service Agreement must be returned to Texas-Ohio within two (2) days after it is received or the agreement will terminate. Once the Service Agreement has been executed, the terms of such agreement are not subject to amendment. At the election of Texas-Ohio, the Releasing Customer shall promptly execute such further documents as may be necessary to evidence its release of capacity. Texas-Ohio shall not be obligated to initiate service to the Replacement Customer until all documents necessary to effectuate the release are executed and returned to Texas-Ohio. The releasing party has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made. A Releasing Customer shall not be able to specify an extension of the original bid period or the pre-arranged deal match period, without notifying Texas-Ohio of a new release.

21.13 Notice of Completed Transaction. Within two (2) business days after capacity has been awarded pursuant to Section 21.9 and the Service Agreement has been executed by the Replacement Customer, Texas-Ohio will make available a notice of completed transactions containing the following information:

- (a) term of release;
- (b) price(s) as bid;
- (c) receipt and delivery points;
- (d) quantity in Dth;
- (e) whether the capacity is firm or firm recallable; and
- (f) the name of the Replacement Customer and whether the Replacement Customer is affiliated with the Releasing Customer.

21.14 Billing Adjustment. After the release becomes effective, Texas-Ohio will bill the Releasing and Replacement Customer on a monthly basis. Texas-Ohio will continue to bill the Releasing Customer for all demand and related charges on a monthly basis but will simultaneously credit the bill of the Releasing Customer with demand and related charges billed during the same Month, to the Replacement Customer utilizing the capacity

GENERAL TERMS AND CONDITIONS (Continued)

released by the Releasing Customer. Should the Replacement Customer fail to make timely payments for the charges billed by Texas-Ohio related to the released capacity, Texas-Ohio shall eliminate the prior credit in the next month's bill, and shall charge the Releasing Customer for all demand and related charges unpaid by the Replacement Customer in the prior Month, together with interest on the unpaid amount from the date first charged.

- 21.15 Obligations of Releasing Customer. The Releasing Customer shall continue to be responsible and liable for its obligations under the Service Agreement. Without limitation, these obligations include the following:
- (a) The Releasing Customer shall continue to be liable for all demand or reservation and other non-usage related charges owing under its Service Agreement up to the maximum rate specified in the service agreement.
 - (b) Texas-Ohio shall have the right to seek performance directly from the Releasing Customer with respect to the obligations owed by it to Texas-Ohio before, after, or simultaneously with Texas-Ohio's attempt to seek performance from the Replacement Customer who owes obligations under any new Service Agreement and Texas-Ohio shall have no obligation to seek performance from the Replacement Customer with respect to such obligations.
 - (c) Each Releasing Customer agrees to protect and indemnify Texas-Ohio, and to release and hold Texas-Ohio harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by Texas-Ohio or such Releasing Customer arising out of or in connection with the provisions of this Section 21 except for losses, damages or expenses caused solely by Texas-Ohio's own negligence or willful misconduct.
- 21.16 Obligations of Replacement Customer. By executing a service agreement for released capacity, the Replacement Customer agrees that it will comply with the terms and conditions of Texas-Ohio's certificate of public convenience and necessity authorizing this Capacity Release Program and the terms and conditions of Texas-Ohio's FERC Gas Tariff.

GENERAL TERMS AND CONDITIONS (Continued)

- (a) The Replacement Customer agrees to indemnify Texas-Ohio against and to release and hold Texas-Ohio harmless against any loss, liability or expense (including, without limitation, court costs and attorneys fees) incurred or suffered by Texas-Ohio or the Replacement Customer arising out of or in connection with the provisions of this section except for losses, damages or expenses caused solely by Texas-Ohio's own negligence or willful misconduct.

21.17 Marketing Fee. Texas-Ohio will charge a Marketing fee to be negotiated between Texas-Ohio and the Releasing Customer where Texas-Ohio successfully markets the released capacity on the Releasing Customer's behalf.

22. ANNUAL CHARGE ADJUSTMENT CLAUSE (ACA)

22.1 Purpose. Annual charges are assessed against Gas pipelines by the Federal Energy Regulatory Commission (FERC) under Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering annual charges, assessed to Texas-Ohio by the FERC, this Section 22 establishes pursuant to Section 154.38(d)(6) of the Commission's Regulations an ACA Surcharge to be applicable to quantities sold or transported under all of Texas-Ohio's Rate Schedules. For the period during which this Section is effective, it is Texas-Ohio's intent not to seek recovery of any annual charges assessed Seller pursuant to Part 382 of the Commission's Regulations and Order Nos. 472 and 472-B except as permitted by this Section. This ACA Surcharge is in addition to any amounts otherwise payable to Texas-Ohio under said Rate Schedules.

22.2 Rate Schedules Subject to ACA Surcharge. The ACA Surcharge shall be applicable to the quantities transported under Texas-Ohio's Rate Schedules in its FERC Gas Tariff.

22.3 Basis of the ACA Surcharge. The ACA Surcharge shall be that increment, adjusted to Seller's measurement basis (dekatherms), which has been approved by FERC Orders approving an annual charge unit rate.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet Nos. 77 Original Sheet Nos. 77 : Superseded

GENERAL TERMS AND CONDITIONS (Continued)

- 22.4 Filing Procedure. The initial ACA Surcharge or any subsequent changes in such surcharge shall be filed by Texas-Ohio at least thirty (30) days prior to the proposed effective date unless the establishment by the FERC of the annual charge unit rate for a particular fiscal year prohibits Seller from making a timely filing, whereupon the FERC's notice requirements under 18 CFR Section 154.22 shall be deemed waived for purposes of this Section 22.

Effective Date: 08/01/1999 Status: Effective
FERC Docket: RP99-424-000

Third Revised Sheet No. 78 Third Revised Sheet No. 78 : Superseded
Superseding: Substitute Second Revised Sheet No. 78

GENERAL TERMS AND CONDITIONS (Continued)

27. Miscellaneous

- 27.1 Texas-Ohio adopts or exceeds all the Business Practices and Electronic Communication Standards which are required by the Commission in 18 CFR 284.10(b). In addition to the standards which are reflected in other provisions of this tariff, the following GISB standards, definitions and data sets are incorporated herein by reference:*

Version 1.3:

1.2.1, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12,
1.3.2(v) and (vi), 1.3.7, 1.3.9, 1.3.20, 1.3.21, 1.3.22,
1.3.24, 1.3.25, 1.3.26, 1.3.28, 1.3.29, 1.3.30, 1.3.32,
1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40,
1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 2.2.1, 2.3.1,
2.3.3, 2.3.4, 2.3.8, 2.3.9, 2.3.15, 2.3.16, 2.3.17, 2.3.24,
2.3.27, 3.3.2, 3.3.4, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11,
3.3.12, 3.3.19, 3.3.21, 5.3.1, 5.3.3, 5.3.4, 5.3.5, 5.3.9,
5.3.15, 5.3.19, 5.3.21, 5.3.22, 5.3.23, 5.3.27, 5.3.28,
5.3.29, and 5.3.30.

- * Texas-Ohio has been granted a waiver of certain electronic communications and Internet transaction requirements of Order Nos. 587, et al.

Effective Date: 06/01/1997 Status: Effective

FERC Docket: RP97-164-001

Sheet Nos. 79-149 Sheet Nos. 79-149 : Superseded

Sheets Nos. 79 through 149
Have Been "Reserved for Future Use"

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 150 Original Sheet No. 150 : Superseded

TEXAS-OHIO PIPELINE, INC.

FORM OF SERVICE AGREEMENTS

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Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 151 Original Sheet No. 151 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER RATE SCHEDULE FTS

THIS AGREEMENT is made and entered into this ____ day of 19____, by and between TEXAS-OHIO PIPELINE, INC., (hereinafter referred to as "Texas-Ohio") and _____, (hereinafter referred to as Customer).

WHEREAS, Texas-Ohio owns and operates a natural Gas transmission system; and

WHEREAS, Customer has need of transportation services and Texas-Ohio expects to have capacity to provide such transportation for the duration of this Agreement.

NOW, THEREFORE, in consideration of the representations, covenants, and conditions herein contained, Texas-Ohio and Customer agree as follows:

ARTICLE I
Gas to be Transported

1.1 Subject to the terms and provisions of this Agreement and of Texas-Ohio' Rate Schedule FTS, and the General Terms and Conditions applicable thereto, Texas-Ohio agrees to receive such quantities from Customer (or for Customer's account) at the Receipt Point(s) designated in Section 2 of Exhibit A, attached hereto, nominated by Customer for transportation on a firm basis. However, Texas-Ohio shall not be obligated to receive on any day a quantity in excess of the Maximum Daily Quantity as set forth in Section 2 of Exhibit A. Receipt Point nominations shall include applicable retention quantities, which shall not be counted against the Customer's MDQ.

1.2 Texas-Ohio shall deliver and Customer shall cause to be accepted at the Delivery Point(s) referenced in Section 3 of Exhibit A quantities of natural Gas nominated by Customer, less appropriate retention, thermally equivalent to the quantity of Natural Gas received by Texas-Ohio at the Receipt Point(s) for transportation hereunder. However, in no event shall Texas-Ohio be obligated to deliver on any day volumes in excess of the Maximum Daily Quantity allocated to each delivery point as set forth on Section 3 of Exhibit A.

1.3 Texas-Ohio may, if tendered by Customer, transport daily quantities in excess of MDQ amounts specified in Exhibit A, if it can do so without affecting its operations or its ability to meet all other obligations.

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER RATE SCHEDULE FTS (Continued)

ARTICLE II

Rate(s), Rate Schedule (s), and General Terms and Conditions

2.1 Customer shall pay Texas-Ohio for services rendered hereunder in accordance with Texas-Ohio' Rate Schedule FTS, or superseding rate schedule(s) on file with and subject to the jurisdiction of the Commission and lawfully in effect from time to time.

2.2 The parties hereto agree that Texas-Ohio shall have the right from time to time to propose and file with the Commission, in accordance with Section 4 of the Natural Gas Act, changes, amendments, revisions, and modifications in:

- (a) the rate(s) and Rate Schedule incorporated by reference as part of this Agreement pursuant to this Article II; and
- (b) the General Terms and Conditions incorporated by reference in said Rate and Schedule, which are applicable hereto;

Customer shall have the right to protest any such changes before the Commission or other authorities and to exercise any other rights that Customer may have with respect thereto.

2.3 This Agreement in all respects is subject to the provisions of Rate Schedule FTS, or superseding Rate Schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule filed by Texas-Ohio with the Commission, all of which are incorporated by reference made a part hereof. In the event of any conflict between this agreement and Rate Schedule FTS, Rate Schedule FTS shall govern as to the point of conflict.

ARTICLE III

Regulatory Requirements and Conditions Precedent

3.1 The transportation arrangements provided for in this Agreement are subject to the provisions of the Subpart specified in Section 4 of Exhibit A of Part 284 of the Commission's Regulations, as amended from time to time.

3.2 Should the Commission impose by rule or order any terms and conditions upon this Agreement which are not satisfactory to Texas-Ohio and Customer, or either of them, either party upon issuance of said rule or order and notification to the other party may terminate this Agreement.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 153 Original Sheet No. 153 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER RATE SCHEDULE FTS (Continued)

ARTICLE VI
Term

4.1 This Agreement shall become effective pursuant to Section 5 of Exhibit A.

4.2 After this Agreement becomes effective, it shall continue in full force and effect for the period of time stated in Section 5 of Exhibit A.

ARTICLE V
Cancellation of Prior Contracts

5.1 When this Agreement becomes effective, it supersedes and cancels the contracts, if any, enumerated in Section 6 of Exhibit A between the parties hereto for the transportation of natural Gas by Texas-Ohio for Customer.

ARTICLE VI
Notices

6.1 Any formal notice, request, or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail to the addresses contained in Section 1 of Exhibit A, or to such other address as a party shall designate by formal written notice, or shall be communicated electronically. Routine communications may be mailed by ordinary mail.

ARTICLE VII
Miscellaneous

7.1 Texas-Ohio and Customer expressly agree that the laws of the State of Texas shall govern the validity, construction, interpretation, and effect of this Agreement and of the General Terms and Conditions incorporated by reference in Rate Schedule FTS.

7.2 Exhibit A attached to this Agreement, is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A, or any portion thereof, by mutual agreement, which amendments shall be reflected in a revised Exhibit A or a revised section of Exhibit A, and shall be incorporated by reference as part of this Agreement.

FERC Docket: CP92-217-003

Original Sheet No. 154 Original Sheet No. 154 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER RATE SCHEDULE FTS (Continued)

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

ATTEST: TRANSPORTER:
TEXAS-OHIO PIPELINE, INC.

By _____ (Date) By _____ (Date)

Title _____ Title _____

ATTEST: _____ SHIPPER: _____

By _____ (Date) By _____ (Date)

Title _____ Title _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 155 Original Sheet No. 155 : Superseded

EXHIBIT A
To the
TRANSPORTATION Service Agreement _____
Dated _____

Between Texas-Ohio Pipeline, Inc.
and

Section 1 The Parties

The Transporter is: Texas-Ohio Pipeline, Inc.
800 Gessner, Suite 1030
Houston, TX 77024

The Customer is:

Maximum Daily Volume to be transported: _____ Dth

Section 2 Receipt Point(s)

Rect. Pt. Effec. Date*	Ref. #	Receipt Points	MDQ Allocation
---------------------------	-----------	----------------	----------------

A. Effective Date*: _____

B. Supersedes Section 2, Exhibit A Effective: _____

Section 3 Delivery Point(s)

Del. Pt. Effec. Date*	Ref. #	Delivery Points	MDQ Allocation
--------------------------	-----------	-----------------	----------------

A. Effective Date*: _____

B. Supersedes Section 3, Exhibit A Effective: _____

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 156 Original Sheet No. 156 : Superseded

EXHIBIT A (continued)

Section 4 Term

Effective Date of this Agreement*: _____

Date Effective Period Ends:

Section 5 Special Provisions

(This Section to be utilized only when applicable.)

CUSTOMER:

TEXAS-OHIO PIPELINE, INC.:

By _____

BY _____

TITLE _____
(Date)

Title _____
(Date)

* To be completed by Texas-Ohio Pipeline, Inc.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 157 Original Sheet No. 157 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER RATE SCHEDULE ITS

THITS AGREEMENT is made and entered into this _____ day of 19____, by and between TEXAS-OHIO PIPELINE, INC., (hereinafter referred to as "Texas-Ohio") and _____ (hereinafter referred to as Customer).

WHEREAS, Texas-Ohio owns and operates a natural Gas transmission system; and

WHEREAS, Customer has need of transportation services and Texas-Ohio expects to have capacity to provide such transportation for the duration of this Agreement.

NOW, THEREFORE, in consideration of the representations, covenants, and conditions herein contained, Texas-Ohio and Customer agree as follows:

ARTICLE I

Gas to be Transported

1.1 Subject to the terms and provisions of this Agreement and of Texas-Ohio' Rate Schedule ITS, Texas-Ohio agrees to accept such volumes of Natural Gas as Customer may cause to be tendered to Texas-Ohio at the Receipt Point(s) nominated by Customer on any day during the term of this Agreement; provided, however, that Texas-Ohio shall only be obligated to accept on any day for transportation hereunder that quantity of natural Gas which Texas-Ohio determines, in its sole discretion, it has available capacity to receive, transport, and deliver; and provided, further, that in no event shall Texas-Ohio be obligated to accept on any day in excess of the Maximum Daily Quantity (MDQ) at the points of receipt nominated by Customer. Receipt Point nominations shall include applicable retention quantities, which shall not be counted against the Customer's MDQ.

1.2 If on any day Texas-Ohio should determine that the remaining transportation capacity of its facilities, after Texas-Ohio has satisfied the requirements of its existing sales customers and has transportation customers with superior rights to transportation capacity, is insufficient to transport all quantities of natural Gas tendered for transportation under this Agreement and for other customer under similar transportation agreements entitled to similar transportation services, Texas-Ohio shall allocate the available transportation capacity on the basis set forth in Section 7.6 of the General Terms and Conditions incorporated by reference in Rate Schedule ITS.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 158 Original Sheet No. 158 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER RATE SCHEDULE ITS (Continued)

1.3 In accordance with the General Terms and Conditions incorporated by reference in Rate Schedule ITS, Texas-Ohio shall deliver and Customer shall accept at the Delivery Point(s) nominated by Customer quantities of natural Gas, on a monthly basis less appropriate retention, a thermally equivalent quantity of Natural Gas received by Texas-Ohio at the Receipt Point(s) for transportation hereunder; provided, however, that in no event shall Texas-Ohio be obligated to deliver on any day in excess of the Maximum Daily Quantity for each point of delivery set forth in Exhibit A.

1.4 Texas-Ohio may if tendered by Customer transport daily quantities in excess of the MDQ amounts specified in Exhibit A if it can do so without affecting Texas-Ohio' operations or its ability to meet all other obligations.

ARTICLE II

Rate(s), Rate Schedule (s), and General Terms and Conditions

2.1 Customer shall pay Texas-Ohio for services rendered hereunder in accordance with Texas-Ohio'Rate Schedule ITS, or superseding rate schedule(s) on file with and subject to the jurisdiction of the Commission and lawfully in effect from time to time.

2.2 The parties hereto agree that Texas-Ohio shall have the right from time to time to propose and file with the Commission, in accordance with Section 4 of the Natural Gas Act, changes, amendments, revisions, and modifications in:

- (a) the rate(s) and Rate Schedule incorporated by reference as part of this Agreement pursuant to this Article II; and
- (b) the General Terms and Conditions incorporated by reference in said Rate Schedule, which are applicable hereto;

Customer shall have the right to protest any such changes before the Commission or other authorities and to exercise any other rights that Customer may have with respect thereto.

2.3 This Agreement in all respects is subject to the provisions of Rate Schedule ITS, or superseding Rate Schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule filed by Texas-Ohio with the Commission, all of which are by reference made a part hereof.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 159 Original Sheet No. 159 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER RATE SCHEDULE ITS (Continued)

ARTICLE III
Regulatory Requirements

3.1 The transportation arrangements provided for in this Agreement are subject to the provisions of Subpart G of Part 284 of the Commission's regulations, as amended from time to time.

3.2 Should the Commission impose by rule or order any terms and conditions upon this Agreement which are not satisfactory to Texas-Ohio and Customer, or either of them, either party upon issuance of said rule or order and notification to the other party may terminate this Agreement.

ARTICLE IV
Term

4.1 This Agreement shall become effective pursuant to Section 4 of Exhibit A.

4.2 After this Agreement becomes effective, it shall continue in full force and effect for the period of time stated in Section 4 of Exhibit A.

ARTICLE V
Cancellation of Prior Contracts

5.1 When this Agreement becomes effective, it supersedes and cancels as of the effective date hereof the contracts, if any, enumerated in Section 5 of Exhibit A, between the parties hereto for the transportation of natural Gas by Texas-Ohio for Customer.

ARTICLE VI
Notices

6.1 Any formal notice, request, or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail or delivered in hand to the addresses contained in Section 1 of Exhibit A, or to such other address as a party shall designate by formal written notice, or communicated electronically. Routine communications may be mailed by ordinary mail.

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 160 Original Sheet No. 160 : Superseded

TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO INTERRUPTIBLE TRANSPORTATION
SERVICE UNDER RATE SCHEDULE ITS (Continued)

ARTICLE VII
Payment

7.1 Payments to Texas-Ohio for services rendered hereunder shall be made in accordance with Section 6 of the General Terms and Conditions incorporated by reference in Rate Schedule ITS.

ARTICLE VIII
Miscellaneous

8.1 Texas-Ohio and Customer expressly agree that the laws of the State of Texas shall govern the validity, construction, interpretation, and effect of this Agreement and of the General Terms and Conditions incorporated by reference in Rate Schedule ITS.

8.2 Exhibit A attached to this Agreement, is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A, or any portion thereof, by mutual agreement, which amendments shall be reflected in a revised Exhibit A or a revised section of Exhibit A, and shall be incorporated by reference as part of this Agreement.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

ATTEST:

TEXAS-OHIO PIPELINE, INC.

By _____
(Date)

By _____
(Date)

Title _____

Title _____

ATTEST:

CUSTOMER:

By _____
(Date)

By _____
(Date)

Title _____

Title _____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 161 Original Sheet No. 161 : Superseded

EXHIBIT A
To the
TRANSPORTATION Service Agreement _____
Dated _____

Between Texas-Ohio Pipeline, Inc.
and

Section 1 The Parties

The Transporter is: Texas-Ohio Pipeline, Inc.
800 Gessner, Suite 1030
Houston, TX 77024

The Customer is:

Maximum Daily Volume to be transported: _____ Dth

Section 2 Receipt Point(s)

Rect. Pt.	Ref.		
Effec. Date*	#	Receipt Points	MDQ Allocation

A. Effective Date*: _____

B. Supersedes Section 2, Exhibit A Effective: _____
Section 3 Delivery Point(s)

Del. Pt.	Ref.		
Effec. Date*	#	Delivery Points	MDQ Allocation

A. Effective Date*: _____

B. Supersedes Section 3, Exhibit A Effective: _____

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 162 Original Sheet No. 162 : Superseded

EXHIBIT A (continued)

Section 4 Term

Effective Date of this Agreement*: _____

Date Effective Period Ends: One year from the effective date of this Agreement, then evergreen.

Section 5 Special Provisions

(This Section to be utilized only when applicable.)

CUSTOMER:

TEXAS-OHIO PIPELINE, INC.

By _____
(Date)

By _____
(Date)

Title _____

Title _____

* To be completed by Texas-Ohio Pipeline, Inc.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 163 Original Sheet No. 163 : Superseded

Texas-Ohio Pipeline, Inc.
800 Gessner, Suite 1030
Houston, TX 77024

SERVICE REQUEST FORM

1. TYPE OF SERVICE REQUESTED (please check one):

____ FTS

____ ITS

2. SHIPPER'S IDENTIFICATION (if different from above):

Company Name: _____

Address: _____

Contact Person: _____ Telephone: _____

3. RECEIPT AND DELIVERY POINTS REQUESTED

A. Shipper requests the following points for receipt by Texas-Ohio:

Measuring Station No.	Location Description	(DTH)	MDQ
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Effective Date: 01/01/1995 Status: Effective
FERC Docket: CP92-217-003

Original Sheet No. 164 Original Sheet No. 164 : Superseded

SERVICE REQUEST FORM (Continued)

B. Shipper requests to the following points for delivery by Texas-Ohio:

Measuring Station No.	Location Description	(DTH)	MDQ
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. TOTAL Maximum Daily Quantity REQUESTED: _____ DTH

5. REQUESTED TERM OF SERVICE

Commencement Date: _____ Termination Date: _____

6. CERTIFICATION

Shipper has or will obtain title to or good right to receive the Gas volumes requested above and has entered into or will enter into all arrangements necessary to ensure all upstream and downstream transportation will be in place prior to the initiation of service.

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet No. 165 Original Sheet No. 165 : Superseded

SERVICE REQUEST FORM (Continued)

7. CREDIT EVALUATION

Texas-Ohio' acceptance of a request for service is contingent upon the requesting party's satisfying a credit evaluation by Texas-Ohio. Please provide the following information:

- A. Bank References
- B. Year end audited financial statements together with the latest quarterly report.
- C. A list of all affiliates.
- D. A statement of whether the requesting party is operating under any bankruptcy or insolvency law or any law relating to the relief of debtors, reorganization or creditors assignment.

8. PLEASE RETURN THIS COMPLETED APPLICATION TOGETHER WITH THE INFORMATION REQUESTED IN ITEM 7 ABOVE TO:

Texas-Ohio Pipeline, Inc.
c/o Manager, Gas Transportation & Exchange
800 Gessner, Suite 1030
Houston, TX 77024

Effective Date: 01/01/1995 Status: Effective

FERC Docket: CP92-217-003

Original Sheet Nos. 166-219 Original Sheet Nos. 166-219 : Superseded

Sheets Nos. 166 through 219
Have been "Reserved for Future Use"

Effective Date: 01/01/1995 Status: Effective
 FERC Docket: CP92-217-003

Original Sheet No. 220 Original Sheet No. 220 : Superseded

INDEX OF FIRM CUSTOMERS

of			Contract Quantities		End
Primary	Rate	Contract	In Dekatherms	Contract	Effective
Name of Customers	Schedule	Number	Demand	Date	Date
Term					
Interstate Gas Marketing 11/30/95	FTS	N/A	20,000	11/28/90	11/28/90
Texas-Ohio Gas 11/30/95	FTS	N/A	20,000	11/22/90	11/22/90

